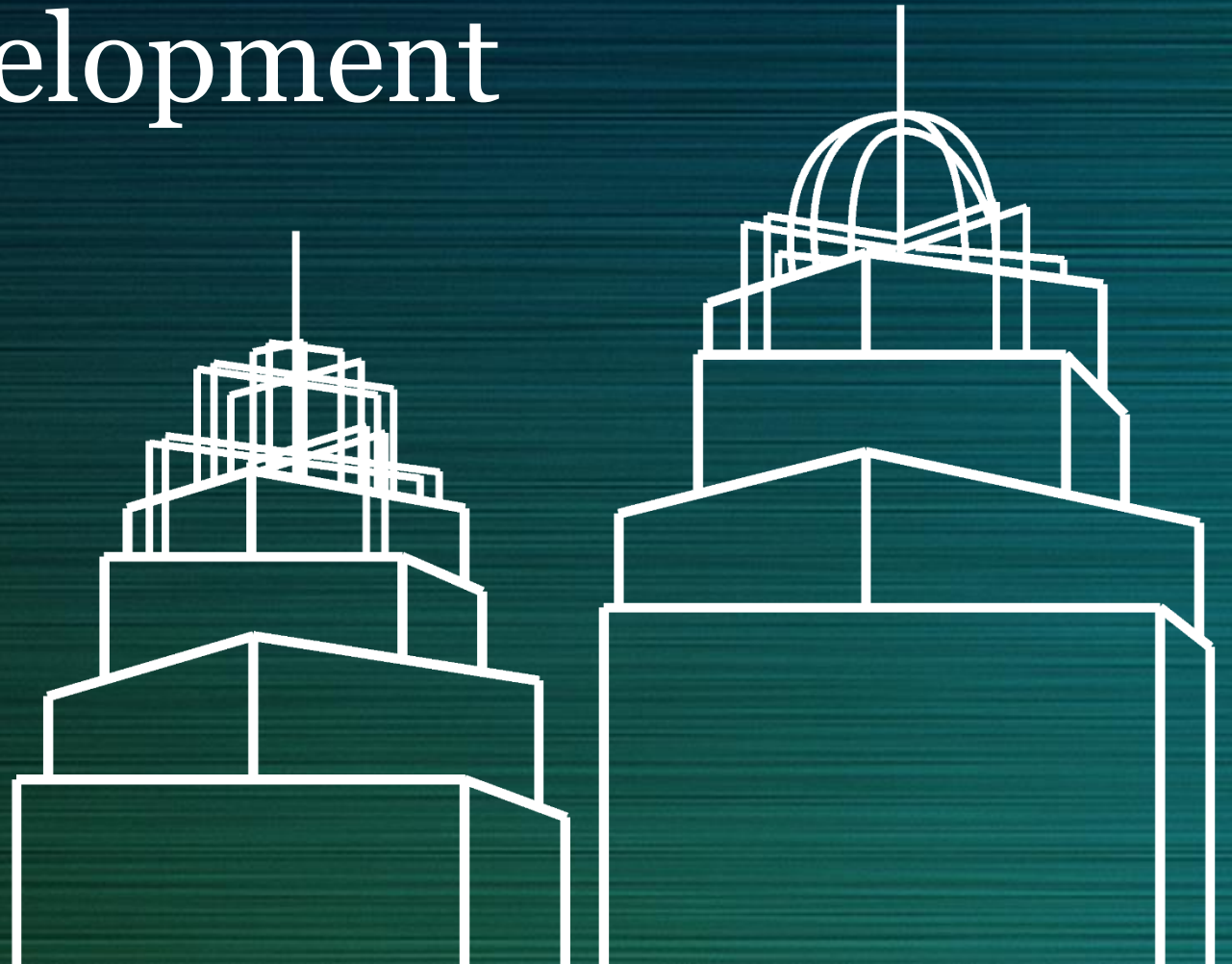


North End Redevelopment

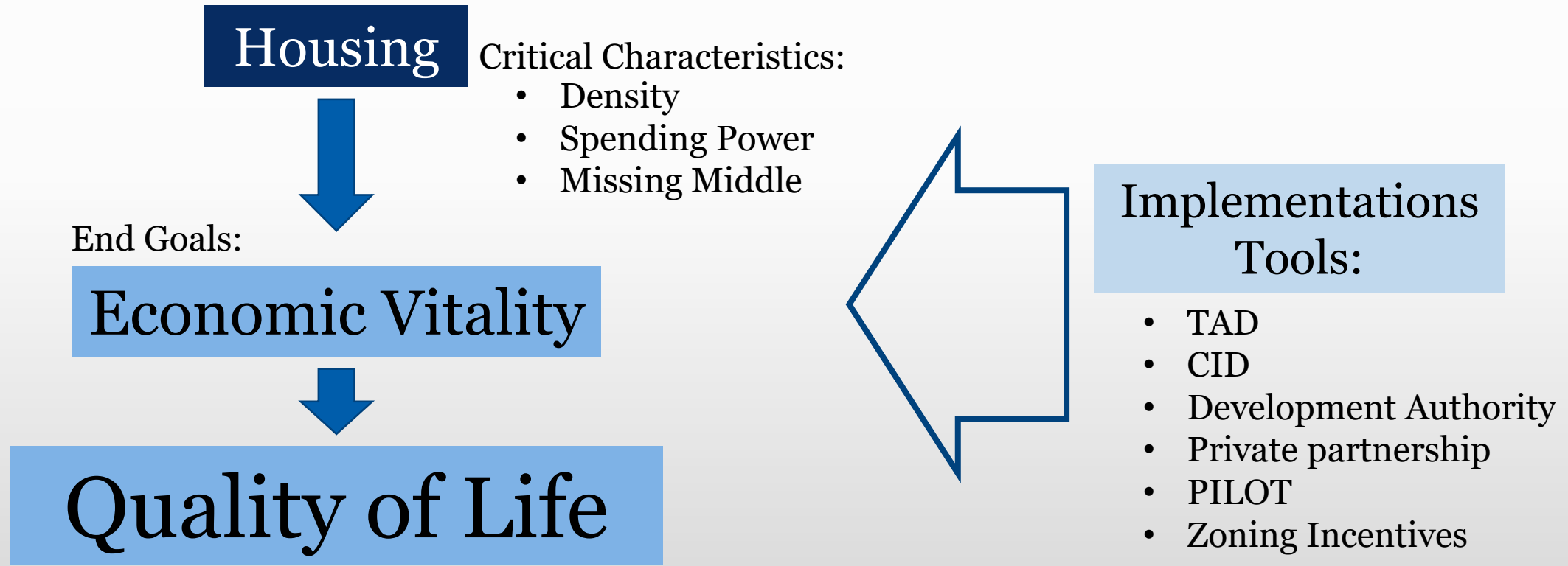
January 23, 2018



SANDY SPRINGS
GEORGIA



Revitalization Strategy



Demographics (Roswell Road North)

POPULATION

7,561

HOUSEHOLD OWNERSHIP

31% OWNERS

RENTERS

69% RENTERS

MEDIAN AGE

34.4

MEDIAN HOUSEHOLD INCOME

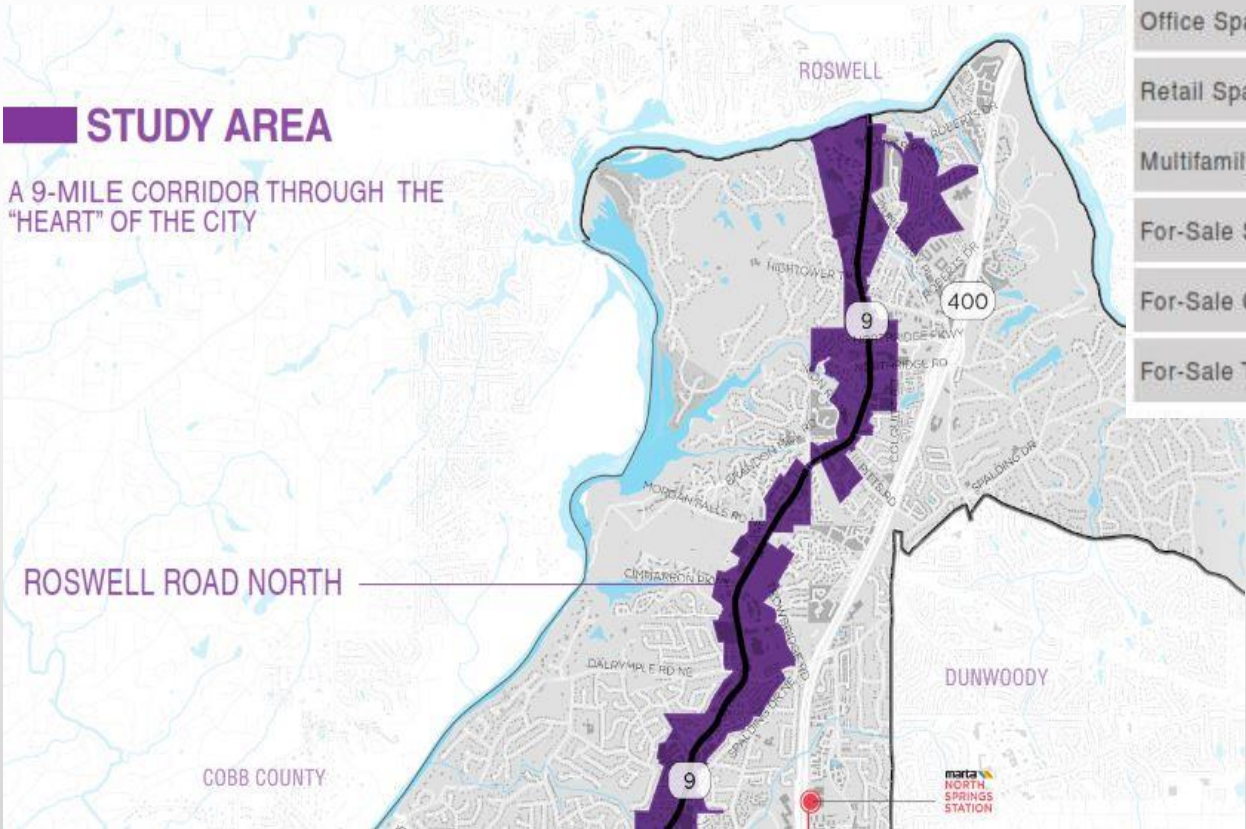
\$51,331

MEDIAN HOUSEHOLD SIZE

1.92

MEDIAN HOME VALUE

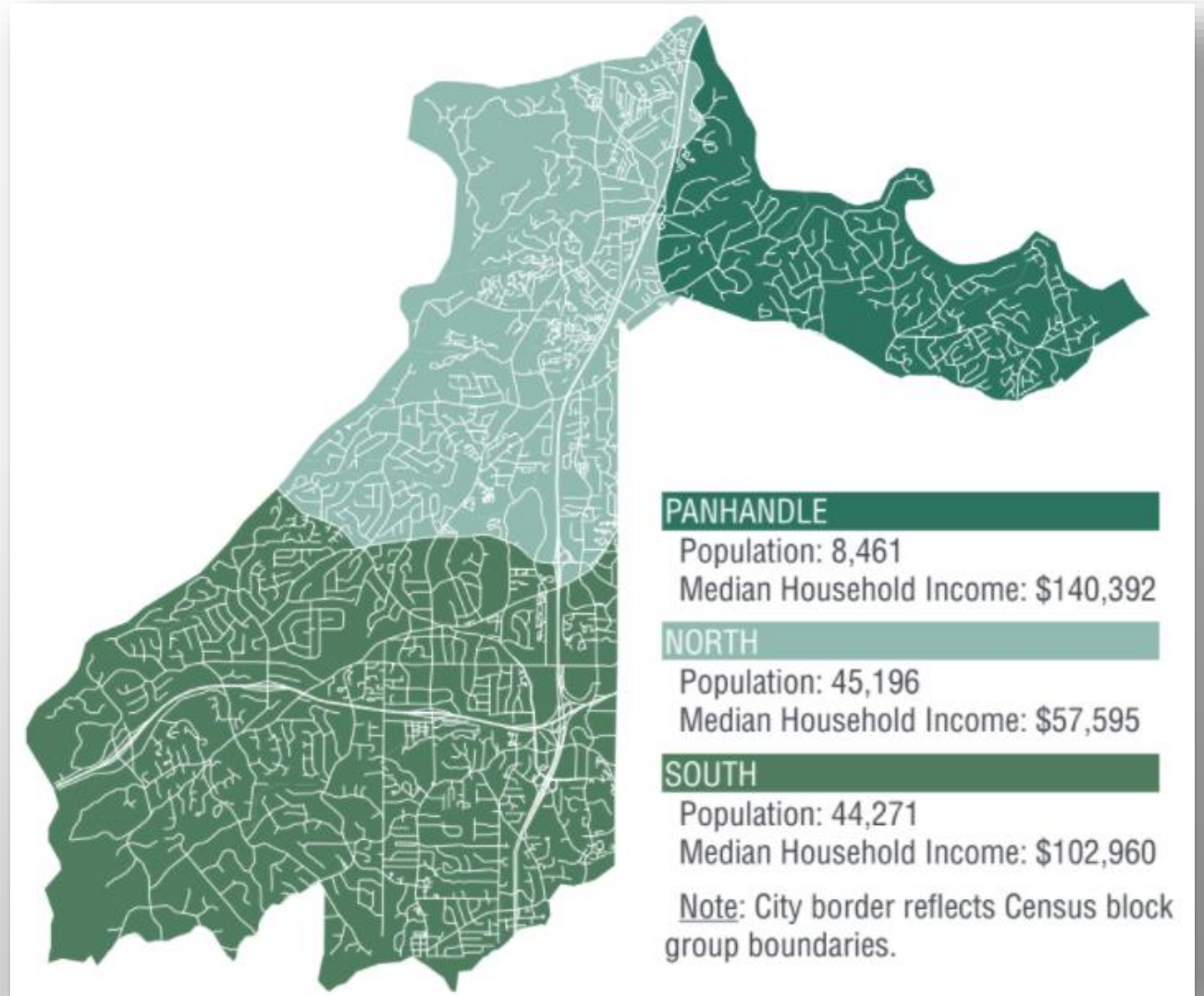
\$339,877



USES	2015	2015- 2035
	EXISTING	TOTAL ADDITIONAL DEMAND PROJECTED FOR SMALL AREA
Office Space	1,725,070 SF	211,900 SF
Retail Space	1,554,603 SF	132,400 SF
Multifamily Units	3,260	1,020
For-Sale Single-Family	N/A	0
For-Sale Condominiums	N/A	90
For-Sale Townhomes	N/A	130

Citywide Comparison

- Median Household Income:
 - Roswell Road North: \$51,331
 - Sandy Springs: \$65,913
- Median Home Value
 - Roswell Road North: \$339,877
 - Sandy Springs: \$545,579

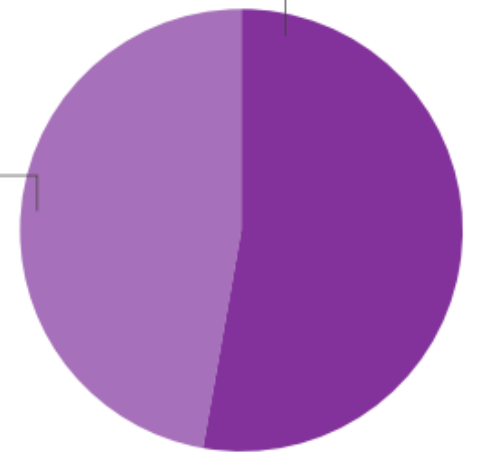


The Missing Middle

- Approximately 42,000 housing units in the City
 - 22,000 (53%) renter-occupied - Monthly housing cost \$800 – \$1,500
 - 20,000 (47%) owner-occupied - Monthly housing cost \$2,000 or more
- The “missing middle” of the housing stock means that many who work in Sandy Springs can not afford to live here

53% Renter
Occupied Units

47% Owner
Occupied Units

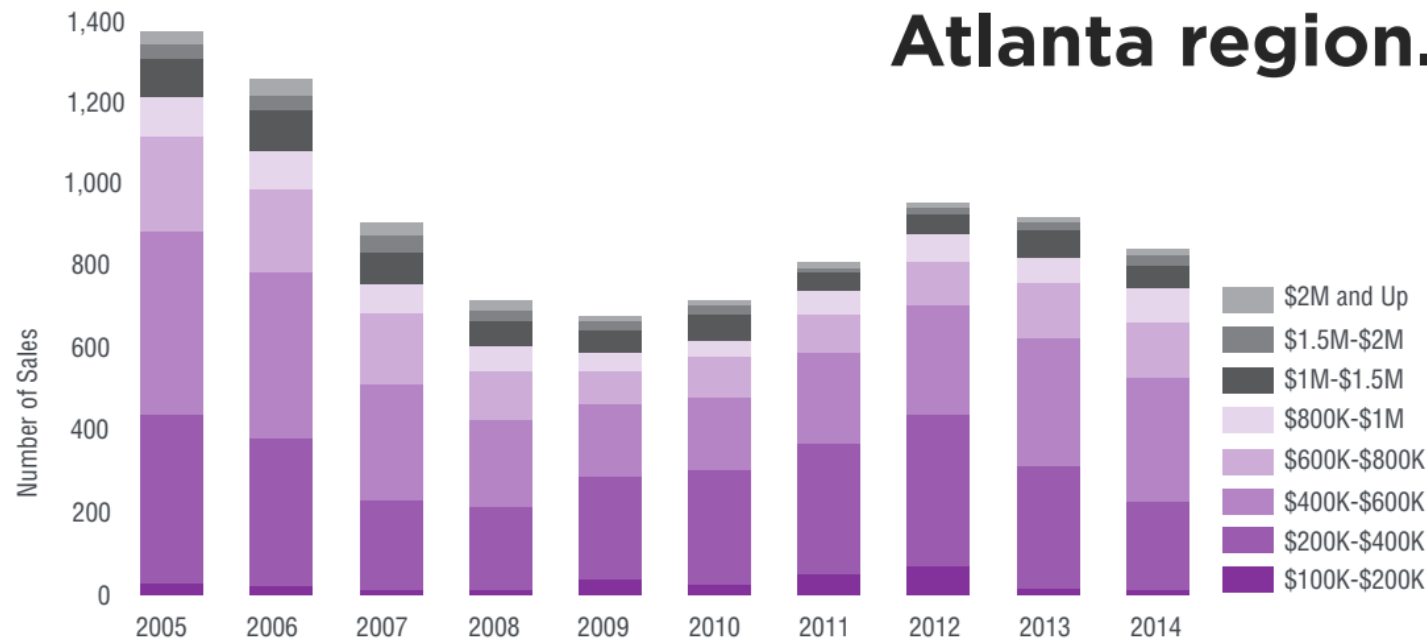


**SANDY SPRINGS HOUSING
UNITS BY TENURE**

(American Community Survey, 2009-2013; RCLCO)

The Missing Middle

**Median home values in Sandy Springs
are more than 2x those of the
Atlanta region.**



HOME SALE PRICES (SINGLE-FAMILY DETACHED)

(Fulton County Assessors Office; RCLCO)

ATLANTA
REGION



\$195,231

SANDY
SPRINGS



\$545,579

MEDIAN HOME VALUE



\$268,708



\$608,038

AVERAGE HOME VALUE

(ESRI 2015; RCLCO)

The Missing Middle

Lack of households in the **\$65,000 to \$100,000** income range, likely due to the lack of desirable housing products in their price range

HOUSEHOLD INCOME	RENTERS						OWNERS						TOTAL
	Young Professionals 18-34, No Kids	Mature Professionals 35-54, No Kids	Families 18-64, Kids	Empty Nesters 55-64, No Kids	Retirees 65+, No Kids	Young Professionals 18-34, No Kids	Mature Professionals 35-54, No Kids	Families 18-64, Kids	Empty Nesters 55-64, No Kids	Retirees 65+, No Kids			
	<\$25K	964 2.2%	1,751 3.9%	932 2.1%	786 1.8%	775 1.7%	42 0.1%	146 0.3%	160 0.4%	128 0.3%	908 2.0%	6,582 14.8%	
	\$25K-\$50K	3,046 6.9%	1,223 2.8%	1,465 3.3%	485 1.1%	1,031 2.3%	136 0.3%	448 1.0%	269 0.6%	569 1.3%	1,318 3.0%	9,989 22.5%	
	\$50K-\$65K	1,049 2.4%	973 2.2%	1,019 2.3%	84 0.2%	667 1.5%	115 0.3%	327 0.7%	194 0.4%	302 0.7%	480 1.1%	5,211 11.7%	
	\$65K-\$80K	724 1.6%	321 0.7%	208 0.5%	126 0.3%	137 0.3%	235 0.5%	428 1.0%	213 0.5%	298 0.7%	499 1.1%	3,190 7.2%	
	\$80K-\$100K	403 0.9%	202 0.5%	443 1.0%	0 0.0%	76 0.2%	228 0.5%	404 0.9%	444 1.0%	207 0.5%	338 0.8%	2,746 6.2%	
	\$100K-\$200K	881 2.0%	597 1.3%	356 0.8%	304 0.7%	199 0.4%	872 2.0%	1,168 2.6%	2,062 4.6%	912 2.1%	1,397 3.1%	8,748 19.7%	
	\$200K-\$300K	37 0.1%	55 0.1%	168 0.4%	142 0.3%	176 0.4%	91 0.2%	413 0.9%	1,162 2.6%	610 1.4%	639 1.4%	3,494 7.9%	
	\$300K+	89 0.2%	192 0.4%	61 0.1%	34 0.1%	52 0.1%	17 0.0%	603 1.4%	2,024 4.6%	961 2.2%	462 1.0%	4,494 10.1%	
	TOTAL	7,193 16.2%	5,316 12.0%	4,643 10.4%	1,961 4.4%	3,113 7.0%	1,736 3.9%	3,937 8.9%	6,528 14.7%	3,986 9.0%	6,041 13.6%	44,454 100.0%	

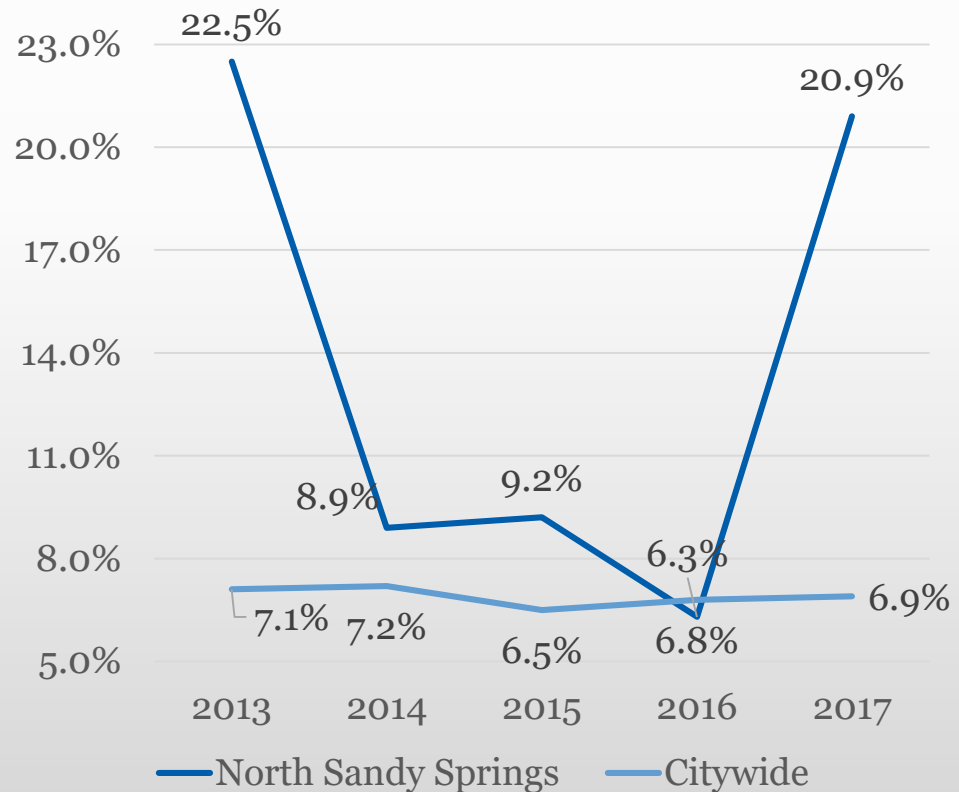
SANDY SPRINGS RENTERS AND OWNERS BY AGE AND INCOME
(American Community Survey, 2009-2013; RCLCO)

54 THE NEXT TEN • SANDY SPRING COMPREHENSIVE PLAN

13%

Retail in Sandy Springs

Vacancy Rates



Average Rental Rates



Existing Conditions of North End Sandy Springs

- Aging stock of retail spaces and apartment complexes (Class C Apartments)
- Inhospitable pedestrian realm and lack of bike infrastructure
- Not receiving much private investment
- Long stretches of single use (multifamily or retail)



Commercial Uses with Large Setback



Existing Auto-Oriented Uses

Public Investment

- Approximately \$39M of completed transportation related projects since 2006, such as:
 - SR400 Bridge Replacement at Northridge: \$15M
 - Roswell Road/SR9 Intersection Improvement at Northridge: \$3.3M
 - Roswell Road/SR9 Intersection Improvement at Dunwoody Place: \$3.9M
 - Morgan Falls Road Improvements: \$3.5M
 - 15+ Sidewalk projects: \$3M+
 - Dunwoody Place Road and Sidewalk Improvements (T-25): \$1.5M
 - Peachtree-Dunwoody/Spalding Intersection (T-26): \$1.5M
 - Spalding/Mt. Vernon Intersection (T-39): \$1.4M
 - Rock walls re-facing/beautification: \$215k
 - Galambos Interchange: \$450k
- CDBG: Roswell Road Multi-Year Sidewalk Project (North-end): \$ 3.7M

Programmed Investment

- Approximately \$24M of transportation related projects are programmed through TSPLOST and other capital programs, such as:
 - Roswell Road at Grogans Ferry Intersection Realignment/Traffic Signal Installation & Roswell Road medians: \$4.75M
 - Chattahoochee River Bridge: \$5.9M
 - Roberts Drive Multi-use Path: \$4.95M
 - Brandon Mill Sidewalks: \$2M+
 - Spalding Drive at Dalrymple Road/Trowbridge Drive intersection improvements: \$1.35M
 - Dalrymple Road Sidewalk: \$1.33M
 - Spalding at Crooked Creek Sidewalk/Trail: \$1M

Planning efforts to date

- Adoption of the **Next 10 Comprehensive Plan** and **Small Area Plans** (February 2017)
 - North Roswell Road Small Area Plan – Seeks to create a “live-work-play” corridor, multi-modal boulevard and promote vibrant mixed-use neighborhoods along the Roswell Road Corridor.
- Adoption of new **Development Code and Zoning Map** (August 2017).
 - Corridor and Nodes District- allows for the enhancement of the City’s major corridors and mixed-use nodes.
- The City’s priority action for 2018 is to implement the vision of the North Roswell Road Small Area Plan.



Opportunities: Priority Redevelopment Area



- Total area: 175.71 acres
- 23 distinct owners
- 4 multi-unit residential complexes
 - 117.3 acres, 1,266 units (10.8 units/acre)
- 2 self-storage facilities
- 1 service station
- 1 self-serve carwash
- 20.6 acres of undeveloped land along the river

What are the redevelopment challenges?

- The demographic profile serving the area is limiting retail potential
 - Current retail is discount-oriented and caters to a consumer with less disposable income.
 - The aging apartment communities, combined with overall low density of housing in the area have a significant effect
- Available undeveloped parcels are limited; large redevelopment sites are expensive
 - Existing multi-family complexes are expensive

Retail Site Selection along Roswell Road (1 mile radius)

	@ Northridge	@ Dalrymple	@ Johnson Ferry	@ Windsor Pkwy
Population				
2015 Estimate	12,201	16,200	7,366	10,873
Projected growth (2015-2020)	7.9%	7.2%	7.4%	4.2%
Owner Occupied	20.2%	28.6%	60.8%	50.6%
Renter Occupied	79.8%	71.4%	39.2%	49.4%
Income				
Average Household	\$68,715	\$78,582	\$87,202	\$121,418
Median Household	\$41,870	\$52,304	\$54,360	\$72,735

Why are incentives needed?

Costs to Purchase Multi-family	
Sales Price Per Unit	\$128,000
Sales Price (300 units)	\$38,400,000
Lender pre-payment penalty	Unknown
Closing costs (w/o broker)	\$250,000
Demolition costs and minor abatements	\$4,500,000
Total purchase cost (+ lender pre-payment penalty)	\$43,150,000

	Redevelopment Scenarios	
	Townhome	Cottage-Style
Market price "Pad-ready" lot	\$90,000	\$90,000
Acres	25.00	25.00
Density / acre	18	12
Total lots	450	300
Total development costs	\$40,500,000	\$27,000,000
Total potential "gap"	(\$2,650,000)	(\$16,150,000)
(Per acre)	(\$106,000)	(\$646,000)
(Per new unit)	(\$5,889)	(\$53,833)

Implementation Tools

1. Incentives to encourage private development
 - Development Authority
 - City incentive program
 - PILOT
 - TAD
 - CID
 - New Market Tax Credits
 - Zoning Incentives
 - Other
2. Public investment opportunities
 - Redevelopment bonds
 - Housing funds
 - Revolving loan funds
3. Non-profit investment
 - YMCA partnerships
 - Habitat for Humanity Partnerships
 - Other potential non-profit partners
4. Resource center (Benefits Bank)

Incentives for private investment (Existing)

- Sandy Springs Development Authority
 - Lower rate financing and bond inducements for projects that promote “trade, commerce, industry, and employment”; Development Authorities are not authorized to offer bond inducements for housing
- City incentives
 - Workforce housing: reduction in impact fee for housing projects with 150+ new/replacement housing units and at least 20 percent of the units are made available to individuals or families with annual incomes of no more than 120 percent of annual median income
 - Priority redevelopment areas: Fee waivers available to businesses that create at least five jobs and make a real capital investment of at least \$250,000 in several nodes along north Roswell Road

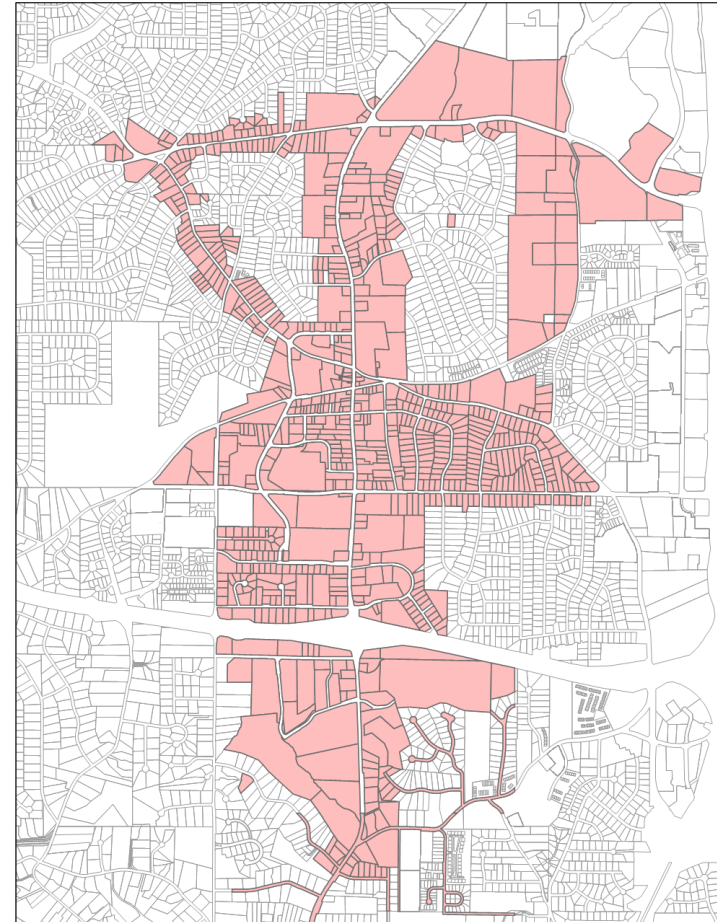
Incentives for private investment (Existing)

PILOT

- A Payment In Lieu Of Taxes is made to compensate a local government for some or all of the tax revenue lost due to tax exempt ownership of a property (i.e., Development Authority)
- City and private developer may agree to use portion of these tax savings to pay for public improvements associated with a project

Incentives for private investment: Tax Allocation Districts

- Earmarks future increases in property tax valuations to underwrite specified capital improvements in a defined district.
- Targets areas of relative underdevelopment; requires a redevelopment plan
- Requires a “but-for” finding by governing body of slum/blight
- To be most effective, all local taxing entities (City, Fulton County, and Fulton County Schools) should consent to participate in the TAD
- Can fail if increases in value cannot carry cost of improvement or bond servicing
- Previous Sandy Springs TAD generated almost \$1,000,000 annually from 850+ parcels with assessed value of \$610M (2001)



Incentives for private investment: Community Improvement Districts

Creation Purposes:

- Street and road construction and maintenance and operations
- Parks and recreational areas and facilities
- Storm water and sewage systems
- Development, storage, treatment, purification and distribution of water
- Public transportation
- Such other governmental services & facilities as may be provided for by general law

Creation Process:

- The adoption of a resolution by the municipality consenting to the creation of the community improvement district
- Written consent to the creation of the community improvement district by:
 - A majority of the owners of real property within the CID and
 - The owners of real property within the CID which constitutes at least 75% by value and 50%+1 of all real property owners within the CID

North End CID could generate up to \$1.1 million/year (5 mils) from 435 commercial parcels

Incentives for private investment: Other incentive programs

- New Market Tax Credits (NMTC) program
 - The NMTC program takes private equity contributed by investors and turns it into gap financing for redevelopment projects. Investors receive a 39% federal income tax credit over 7 years in exchange for their private equity investment. The private equity is combined with a bank loan.
 - Requires City to establish a Community Development Entity that would manage program and serves as a matchmaker between investors seeking tax credits and projects in seeking financing.
 - Example: Invest Atlanta
- Zoning incentives

Public investment: Redevelopment Bond

City of Marietta

- Public referendum to pass a \$64M general obligation bond for purpose of acquiring property for redevelopment along Franklin Gateway
- Between 2010 and 2016, the city bought and razed five apartment buildings (10% of all the multi-family housing)
- Results:
 - 40% reduction in crime (2011-2016)
 - 2015: Home Depot Call Center announced 1,200 jobs; China Shipping Container Line opened its new communications hub
 - 2016: Atlanta United constructed practice complex on the land bought with redevelopment bonds
 - 2017: IKEA announces second Atlanta location

Public investment: Redevelopment Bond

South Cobb

- South Cobb Redevelopment Authority issued \$10M revenue bond backed by County created tax district (additional 3.5 mils paid by commercial property owners)
- Proceeds used for property acquisition and infrastructure improvements
 - 2015: Acquired and demolished 12 acre apartment complex; property currently for sale

Public investment: Housing Fund

For acquisition, workforce housing construction, housing preservation/rehabilitation, or homeownership assistance by providing dedicated revenue sources, such as:

- Investigate changes to state law to allow Impact Fees to be used for housing (example: Berkley, CA; Oakland, CA; Palo Alto, CA; San Diego, CA; Denver, CO; Cambridge, MA; Boston, MA; plus 304 communities in New Jersey)
- Inclusionary Zoning in-lieu fee: (Second most common practice) Pay in-lieu fee for affordable housing fund in exchange for not providing affordable housing. (Pasadena, CA; Fremont, CA; Highland Park, IL; St. Charles, IL; Somerville, MA; Portland, OR)
 - REMOVED FROM DRAFT DEVELOPMENT CODE
- General Fund set-aside: Commit amount of money to Housing Fund from the City's General Fund (Washington D.C; San Francisco, CA)

Public investment: Revolving Loan Funds

Creating a Below-Market Debt Fund: (San Francisco Bay Area, Denver, Los Angeles, New York)

- Revolving loans funds –Funds are set up to make new loans as prior loans are repaid, providing continued source of capital.
- Attract private capital while providing lower-cost loans to developers for affordable housing projects.
- Established and funded by partnerships with private, public, and philanthropic institutions
- Below-market debt funds originate loans directly or through Community Development Financial Institutions (CDFIs).
- Blend government and foundation monies in the form of grants or low-interest loans through conventional debt from financial institutions (mostly banks and insurance companies)
- Requires deep collaboration from multiple entities and can be complex to administer.
- Significant startup time and costs to create and administer this fund. (Up to 18 months and \$1 million)
- Potential partnerships for fund: Enterprise Price Community Loan Fund, Atlanta Neighborhood Development Partnership, Inc. Georgia Cities Foundation, Habitat for Humanity of Fulton County.

Source: Urban Land Institute' Terwilliger Center for Housing

Next Steps

- Create a redevelopment/housing task force to explore the redevelopment and advise the Mayor and Council on action to take, to include:
 - Creation of housing fund
 - Inclusionary Zoning/In-Lieu fee
 - Redevelopment Bond(s)
 - Explore partnerships with non-profit organizations for redevelopment
 - Explore partnerships with Fulton County Schools
 - Other creative grant/funding programs
- Task Force recommendations should be presented for inclusion into the 2019 Mayor and City Council Adopted Priorities, or to begin discussion of legislative changes